

Message Text

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ACTION H-03

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E.O. 11652: N/A
TAGS: OREP (DERWINSKI - EDWARD J)
SUBJ: CODEL DERWINSKI --- TRIP TO EGYPT

1. CONGRESSMAN DERWINSKI MET FOR MORE THAN AN HOUR
AUGUST 13 WITH EMBASSY PERSONNEL IN ROUND -TABLE
DISCUSSION WHICH CENTERED ON TAX AND RETIREMENT.
DERWINSKI EXPLAINED THAT REPEAL OF SECTION 912 IS OUT-
SIDE COMPETENCE OF HIS COMMITTEE, BUT NEVERTHELESS
ELISTED EMBASSY POINT OF VIEW. HE SUGGESTED THAT
DEPT NEEDS TO MAKE A MORE FORCEFUL CASE AGAINST
REPEAL OF 912 THAN HAS BEEN EVIDENCED. (CONGRESSMAN
SIKES, ON VISIT TO EGYPT AUGUST 14, SAID HE HAD NOT
BEEN INFORMED OF POSSIBLE REPEAL OF 912 AND INDICATED
THAT HE OPPOSED CONCEPT. SUGGEST DEPT MAY FIND IT
USEFUL TO CONTACT CONGRESSMAN ON HIS RETURN TO
WASHINGTON.) EMBASSY PERSONNEL FORWARDED MULTIPLE
REASONS WHY REPEAL OF 912 WOULD CAUSE HARDSHIP WITH
CONSENSUS THAT NEGATIVE AND POSITIVE FACTORS OF
SERVICE ABROAD ARE IN DELICATE BALANCE WHICH WILL BE
UPSET BY REPEAL OF 912. IN REGARD TO RECENT COURT
DECISION INVALIDATING MANDATORY RETIREMENT AT AGE
SIXTY, IT WAS RECOGNIZED DECISION WOULD HAVE SERIOUS
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RETARDING IMPACT ON RATES OF PROMOTION. CODEL NOTED
THAT ABONUS TO ATTRACT EARLIER RETIREMENT HAD
ONLY MIXED RESULTS WHEN TRIED IN POST OFFICE.

2. SUBSEQUENTLY CODEL MET DEPUTY PRIMIN FOR ECONOMIC
AND FINANCIAL AFFAIRS DR. ABDEL MONEIM EL KAISOUNI
AND MINECON DR. HAMID EL SAYEH. MINECON SURMARIZED

STEPS GOE HAS TAKEN TO IMPROVE ECONOMY. HUGE SHORT-TERM INDEBTEDNESS IS BEING ALLEVIATED BY LONG-TERM LOANS ON MUCH BETTER TERMS. OPEN-DOOR POLICY HAS ATTRACTED 2 BILLION POUNDS FOREIGN INVESTMENT, 200 MILLION IN PROJECT ALREADY PRODUCING, AND 600 MILLION IN PROJECTS BEING IMPLEMENTED. THANKS IN LARGE PART TO ARAB AND AMERICAN ASSISTANCE, STRONG FEELING HAS EMERGED THAT EGYPTIAN ECONOMY IS MOVING AHEAD, DESPITE GREAT DIFFICULTIES. CODEL INQUIRED ABOUT REDEVELOPMENT PLAN ALONG SUEZ CANAL. MINECON STATED THAT THE THREE CANAL CITIES HAVE GLOWING FUTURES AS "" STOREHOUSE OF THE WORLD", DUE TO UNIQUE LOCATION ON WORLD'S MOST STRATEGIC TRANSIT POINT. SEVERAL MANUFACTURING COMPANIES HAVE ALREADY BEGUN PRODUCTION IN PORT SAID IN ADDITION TO OPENING OFF STORAGE AND REFRIGERATION PLANTS. POPULATION OF CANAL CITIES EXCEEDS PRE -1967 LEVELS. AMBASSADOR INQUIRED AS TO PRESENT GOE POLICY TOWARD REDUCING SUBSIDIES IN WAKE OF JANUARY RIOTS. KAISSOUNI REPLIED THAT THE NUMBER OF SUBSIDIZED GOODS HAS BEEN REDUCED AND FACT THAT SUBJECT IS BEING OPENLY DISCUSSED IN PEOPLES ASSEMBLY IS GOOD SIGN. KAISSOUNI RECOGNIZED THAT SUBSIDIES MUST BE DEALT WITH IN A VIGOROUS WAY IF ECONOMY IS TO IMPROVE.

3. AFTER MEETING WITH PRESIDENT SADAT (SEPTEL) DURING TRIP TO ALEXANDRIA ON AUGUST 14, CODEL MET SPEAKER LIMITED OFFICIAL USE

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OF EPEOPLES ASSEMBLY, SAYED MAR'I. IN DISCUSSION OF PARLIAMENTARY MATTERS, MAR'I INDICATED THAT ABSENTEEISM IS SERIOUS PROBLEM IN PEOPLES ASSEMBLY AND THAT MESHING "REAL" POLITICIANS WITH LARGE CONTINGENT OF FARMERS IN PEOPLES ASSEMBLY ALSO PRESENTS DIFFICULTIES. DISCUSSION OF FOREIGN AFFAIRS MATTERS, IN WHICH MAR'I AND DERWINSKI WERE JOINED BY CONGRESSMAN ROBERT L.F. SIKES AND AMBASSADOR, IS REVIEWED IN SEPTEL.

4. EVENING AUGUST 14 AMBASSADOR HOSTED DINNER FOR CODELS DERWINSKI AND SIKES. PRESENT WERE THE SEVERAL EGYPTIANS WHOM CODEL DERWINSKI HAD EXPRESSED INTEREST IN SEEING, SPECIFICALLY, DR. LAILA TAKLA (CHAIRMAN OF FOREIGN RELATIONS COMMITTEE OF PEOPLE'S ASSEMBLY), DR. AND MRS. RUSHDI SAID AND MR. AND MRS. GLEN TAYLOR, ACTING AMOCO RESIDENT MANAGER. SINCE DR. TAKLA WAS IN ALEXANDRIA (BUT THERE WAS NO TIME TO MEET WITH HER THERE), AND TRAIN CONNECTIONS BETWEEN ALEXANDRIA AND CAIRO WERE UNAVAILABLE BECAUSE OF IMMINENT ADVENT OF RAHADHAN, AMBASSADRO ARRANGED SEND CAR TO ALEXANDRIA TO BRING HER TO CAIRO FOR THE DINNER AND TO TAKE HER BACK FOLLOWING DAY. CODEL DERWINSKI AND DR. TAKLA, BOTH OF WHOM ARE

ACTIVE IN IPU MATTERS, WERE THUS ABLE HAVE LONG PRIVATE CONVERSATION ON UPCOMING IPU MEETING IS SOFIA. SINCE CODEL DERWINSKI IS CLOSE FRIEND OF AMBASSADOR GHORBAL, ALSO PRESENT WERE GHORBAL'S SISTER AND BROTHER -IN-LAW. EGYPTIAN AND AMERICAN GUESTS WERE ABLE TO PROVIDE CODELS WITH USEFUL INFORMATION ON CURRENT DEVELOPMENTS IN EGYPT AND ME AREA.

5. CODEL SPENT AUGUST 15 IN TRIP TO SINAI FIELD MISSION AND TOUR OF REDEVELOPMENT PROJECTS IN SUEZ. CODEL RECEIVED FULL BRIEFING FROM SFM DIRECTOR HUNT, WHO STRESSED CONTINUING GOOD COOPERATION BETWEEN SFM AND EGYPT, ISRAEL AND UNEF RESPECTIFELY.

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